UNITED NATIONS DEVELOPMENT PROGRAMME

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Country and intercountry programming and projects

PROGRAMME OF THE GOVERNMENT OF GUATEMALA

UNDP co-operation requested by the Government of Guatemala for the period January 1980-December 1983

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INDICATORS OF THE COUNTRY'S SITUATION

1978

I. GENERAL INDICATORS

I.1	Area		108,889 km^2
I.2	Total population		6,620,503
	Urban	2,541,738	
	Rural	4,078,765	
I.3	Population density		60.8 per km^2
I.4	Economically active population		2,072,217
I.5	Land suitable for agricultural uses		10.9 million hectares
	In use		6.0 million hectares
I.6	Land suitable for forestry uses		6.5 million hectares
	In use		4.4 million hectares

II. ECONOMIC INDICATORS

II.1	GDP at 1958 prices	2,878.8 million Quetzals
II.2	Per capita DGP	434.8 Quetzals
II.3	GDP, primary sector (agriculture, hunting, fishing and mining)	751.5 million Quetzals
II.4	GDP, secondary sector (industry, manufacturing and construction)	555.1 million Quetzals
II.5	GDP, tertiary sector (remaining sectors)	1,572.2 million Quetzals
II.6	Income distribution	
	Top 25 per cent income bracket receives 66.5 per cent of total income	
	Bottom 25 per cent income bracket receives 6.7 per cent of total income	
II.7	Exports FOB	1,156.9 million Quetzals
II.8	Imports CIF	1,371.9 million Quetzals
II.9	External debt	389.4 million Quetzals (as of 31 December 1978)

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III. SOCIAL INDICATORS

III.1 Education

Illiteracy rate	54 per cent
Primary school enrolment ratio	52 per cent
Percentage of inhabitants who have not finished primary school	92 per cent

III.2 Health

General mortality rate	12.9 per thousand
Infant mortality rate	81.1 per thousand
Life expectancy at birth	53.2 years
Birth rate	41.1 per thousand
Population with access to drinking water:	
Urban	76 per cent
Rural	18.4 per cent
Sewage disposal:	
Urban areas	51.5 per cent
Rural areas	11.8 per cent
Population suffering from severe malnutrition	475,000
Number of hospital beds	1.62 per thousand
Number of doctors	3.9 per thousand

III.3 Housing

Housing deficit	439,200 dwellings
Population affected by the housing shortage	2,635,300

IV. EMPLOYMENT

IV.1	Overt unemployment	70,800
IV.2	Underemployment	568,400

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I. INTRODUCTION

1. The country programme is the detailed official statement of technical co-operation that the Government is seeking from the United Nations Development Programme for a specific period.

2. The country programme document was prepared by the General Secretariat of the National Council for Economic Planning, which is responsible under law for planning, programming, negotiating and monitoring international technical co-operation, in co-operation with the government agencies concerned, through their sectoral officers, and with constant assistance and advice from the office of the UNDP Resident Representative.

A. Methodology and criteria used in the preparation of the programme

(a) Methodology

3. The present programming exercise began with a joint evaluation by the General Secretariat and the representatives of UNDP of the 1976-1979 programme. This evaluation embraced an analysis of the sectoral requirements for future technical co-operation which could be ascertained from the 1979-1982 National Development Plan or directly from the sectoral officers at interagency meetings.

4. The information obtained was reflected in the note submitted in June 1979 by the Resident Representative, which constituted the starting point for the first draft of the country programme. Prior to this first draft, a paper was prepared by the Technical Co-operation Department of the General Secretariat setting out guidelines and criteria which provided the basis for tentative expenditure estimates for 1980 and for programming the funds by fields of activity for the years 1981, 1982 and 1983. The paper also provided a basis for cost-sharing proposals which, when accepted, made it possible to allocate funds to sectors which had to be given consideration.

5. The first draft of the country programme was consistent with the objectives and priorities set in the National Development Plan. However, a reappraisal of the programme in the light of current economic conditions and the new economic and social trends in the countries of the Central American region revealed how poorly it provided for dealing with situations which demand a more refined approach, more careful approximations and a very different emphasis.

6. It was also noted that the third country programme was, in effect, the continuation of the projects provided for in the second programme, which, in turn, included many projects from the first country programme.

7. In the light of the above-mentioned analysis and conclusions, on the basis of the preliminary findings of the appraisal of projects in the planning, public administration and statistics sector, and bearing in mind the possibility of devising a genuinely integrated project in that sector (an objective enthusiastically pursued by both the UNDP representatives and the technical

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co-operation officials of the General Secretariat), the head of that body, with the support of the Resident Representative, decided to redraft the country programme.

8. This decision added a further stage to the programming exercise. The channels of communication and consultation were reactivated, and the assessment process was set in motion again both by the General Secretariat and by the sectoral officers and their counterparts in government departments.

9. A participatory approach to the redrafting of the new programme was adopted: in contrast to the procedure opted in the recent past; all directors, the two under-secretaries and the Secretary-General for Planning took part in the processes of analysis, discussion and decision-making. This made it possible to gain a more detailed knowledge of the technical co-operation requirements of the individual sectors and to achieve a fundamental consensus on the planning, content and methods of technical co-operation, in particular that provided by UNDP.

10. As a result of this process, it was possible to design a programme that was not a mere list of projects, but rather a clear description of the technical co-operation requirements which can be met by UNDP in the context of all the external technical co-operation available.

11. The final stage in the programming exercise thus made it possible to bring about, in a more satisfactory manner, better linkages between the components of the programme and national development trends and the objectives and guidelines set forth in the National Development Plan and in the Government's short-term plans and programmes, a sharper identification of technical co-operation requirements in general, and especially UNDP assistance, and the continuation of successful activities for which co-operation is still needed.

12. Heeding suggestions made by the Resident Representative in his note, the revised version of the country programme manages to avoid fragmenting UNDP assistance and to concentrate it more heavily in selected priority areas. In addition, it co-ordinates UNDP co-operation with inputs from other external sources of technical co-operation and establishes linkages, wherever possible, with other subregional, regional, interregional and global programmes.

(b) Criteria

13. In order to produce this new-style programme, a number of criteria were worked out jointly and adopted. Something should be said about them, as they differ in some important respects from those of the two previous programmes.

14. As a result of the serious thought given to the interagency (UNDP/agencies) mission to examine country programming experiences and of analysing the evaluations of the earlier programmes and evaluation of programmes in the planning, administration and statistics sector (proposed by the General Secretariat and supported by UNDP), consensus was reached in working group meetings on a statement of the basic principles of technical co-operation in general, which will, as far as possible, govern the projects included in the programme.

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15. Specifically, the aim was to eliminate certain situations which have arisen in the past, such as:

the proposing of isolated projects not genuinely linked with other projects in the same sector;

the undue prolongation of projects: very often "new" projects are created within "old" projects, and almost always require keeping on the same experts;

the introduction of projects unilaterally by executing agencies without prior co-ordination with the body responsible for planning and programming international technical co-operation;

the inefficient transfer of know-how and technology: the transfer process has been slow and in many cases has not involved the entire project team;

the distortion of technical co-operation that results when foreign experts are "converted" into "national staff".

16. The technical co-operation supplied should fill such gaps in qualified technical manpower as exist in key sectors or in sectors assigned priority in the development plans, and should transfer, generate and help to generate know-how and technology, so that when it comes to an end, national personnel will have the necessary training and ability to replace the experts or consultants. In addition, technical co-operation should complement and reinforce government programmes in fields in which the effort required is beyond the country's existing technical and financial capacities.

17. Having seen how fruitful the participatory approach to the design and formulation of technical co-operation is, the General Secretariat will systematically encourage, at the national level, national teams for the preparation, monitoring and evaluation of co-operation projects. This approach will be extended to the activities of international and national experts and consultants in order to ensure that the two groups are not working in isolation from each other.

B. Analysis of the 1976-1979 programme

18. The programme of UNDP technical co-operation for the period 1976-1979 was strongly influenced by the extraordinary requirements created by the earthquake in February 1976. Although the emergency is over and the special reconstruction and rehabilitation effort has been successful, the impact of the disaster is still being felt, especially in housing and in the need to devote substantial financial and human resources to reconstruction, rather than to development as such.

(a) Implementation rate

19. The previous programme was comprised of 46 projects, including eight reconstruction projects financed from the Programme Reserve. Of that total, 28

projects ended during the programming cycle, 19 new projects were started and one was transferred from the Programme Reserve to the IPF programme.

20. During the programme period the implementation rate was approximately 100 per cent of available funds, one of the highest rates for any country receiving UNDP co-operation. That rate is the combined result of the Government's success in managing UNDP-funded projects and the co-operation of the United Nations development system.

21. Continuous dialogue and the joint monitoring process developed by the General Secretariat of the National Council for Economic Planning and the office of the UNDP representative were key factors in ensuring the satisfactory disbursement of funds. In fact, all Guatemala's IPF resources, from the start of country programming in 1972 up to the end of 1979, were disbursed, while there was a balance of some $540,000 remaining for 1980 from the funds made available from the Programme Reserve for reconstruction following the earthquake.

(b) Structure of the programme

22. Table 1 in the annex provides a breakdown of activities by sector, including projects financed from the Programme Reserve. During the four years under consideration, 32.4 per cent of the available funds were allocated to the social sector - education, employment, human resources, housing and health. Almost half of those funds went to education, with smaller amounts allocated to employment and health.

23. Another important sector was planning, public administration, budget and statistics, which accounted for 28.4 per cent of the funds. Its share rose to 39.1 per cent in 1978 and it is expected that in 1979 some one third of resources will have been allocated to that sector, virtually the same as for the social sector.

24. The agricultural sector (including forestry development and fisheries) accounted for only one fifth of the 1976-1979 programme. Industry and energy accounted for less than 15 per cent of the IPF during the period but rose to almost 22 per cent in 1979. Roughly one half of those resources went to industry, while the balance was allocated to the energy sector, which also received substantial direct funding from the Government under cost-sharing arrangements.

25. The structure of the 1976-1979 programme exhibits a number of features that are incompatible with the priorities set in the Government's development plan. For example, while the social sector accounted for more than 30 per cent of the available resources, this was due primarily to the fact that much of the reconstruction programme was allocated to that sector. If the Programme Reserve is excluded, the social sector received only slightly more than 19 per cent of the IPF.

26. By way of general conclusion, it can be said that the 1976-1979 programme, financed from both the IPF and the Programme Reserve, struck a reasonable balance

between programmes for the social and productive sectors and for strengthening institutions, primarily in the planning, budget, statistics and administration sectors.

(c) Principal achievements

27. The section on methodology and criteria used in preparing the 1980-1983 programme shows clearly that some very important lessons concerning the shortcomings of the previous programme were learnt by all involved. On the other hand, in considering the main achievements of the joint Government-UNDP effort in recent years, mention must be made of some outstanding results which testify to a high degree of utilization of available resources and, in particular, to the Government's great absorptive capacity for external technical co-operation.

28. In the primary sector, special attention was paid to the country's enormous forest resources; one of the most noteworthy achievements was the establishment of a seed bank, which is the essential basis for the Government's reforestation programmes. With regard to fisheries, efforts were concentrated on providing valuable support for small-scale marine fishing co-operatives, which are already experiencing a sustained increase in income through higher production and improved marketing facilities.

29. A programme of surveying ground-water resources in the Guatemala Valley has provided necessary information for the formulation of a policy for developing, managing and co-ordinating the country's water resources. Through a comprehensive project on energy development, with funding from the Government and the IPF, advisory services continue to be provided to government agencies, responsible for energy planning and the development of petroleum resources.

30. Joint activities in the industrial sector successfully strengthened the planning machinery and provided direct support for investment projects, especially in agro-industry.

31. In the social sector, there was continuous co-operation in the field of education. Following the earthquake, resources from the Programme Reserve were used to give special attention to housing, and improved co-ordination of the multifarious reconstruction activities of a wide range of institutions was achieved. With regard to health, assistance was provided under the previous programme for the establishment of one of the most modern food inspection laboratories in Latin America, which provides support for programmes throughout the region.

32. Lastly, joint activities in a series of planning and public administration projects laid the groundwork for future co-operation between the Government and UNDP which will be integrated and much more systematic and productive.

II. DURATION AND AVAILABLE RESOURCES

A. Duration of the programme

33. The third UNDP programme of technical co-operation in Guatemala will cover a period of four years, starting on 1 January 1980. Thus, the three UNDP programmes for Guatemala cover the years 1972-1975, 1976-1979 and 1980-1983. The latest programme is designed to provide major support for the National Economic and Social Development Plan 1979-1982, and during the latter half of the period there is expected to be close co-operation with the Government in the preparation of the next plan.

B. Available resources

34. Originally the indicative planning figure for the second programming cycle 1977-1981 was $7.5 million, the same as that for the previous five-year period, but it was increased to $8 million during 1979 owing to an adjustment in the population figures, which had been underestimated. There was an overexpenditure of $240,000 during the first cycle, but total expenditure for 1972-1979 is expected to be 100 per cent of the IPF, i.e. $12 million, which is equal to an amount of $1.5 million per annum.

35. For the third programming cycle 1982-1986 the IPF is expected to be $8 million, or roughly $1.6 million per annum. For the years 1980 and 1981, $3.5 million are available, plus $3.2 million for the following two years, 1982 and 1983. In addition, cost-sharing funds of $793,000 will be available in 1980, as will $563,000 for each of the subsequent years, making a total of $2,482,000. These figures are, however, subject to confirmation each financial year because of the Government's annual budget programming. Thus, the amount of $9,182,000 will be available for the four years of the 1980-1983 programme (see table below).

36. Availability of funds administered by UNDP, 1980-1983
(in thousands of $US)

		Available Funds 1/	Adequate Programming
IPF	1972-1976	7,500	
IPF	1977-1981	8,000	
TOTAL	1972-1981	15,500	
Executed	1972-1979	12,000	
Available	1980-1981	3,500	4,025
Available	1982-1983	3,200	3,680
Funds 1980-1983			
IPF		6,700	7,705
Cost-sharing		2,482	2,482
TOTAL COUNTRY PROGRAMME RESOURCES		9,182	10,187

1/ IPF 1972-1976: $7.5 million
IPF 1977-1981: $8.0 million
IPF 1982-1986: $8.0 million

37. In this country programme account was also taken of some $540,000 remaining of the $3 million allocation from the Programme Reserve approved following the earthquake in 1976, UNFPA inputs which could average $1.5 million a year during the next four years, and of a possible project to be financed by the United Nations Revolving Fund for Natural Resources Exploration. In addition, the possibility of obtaining funds-in-trust from other multilateral and bilateral sources (multi-bi) will be explored. Of course, all the projects will receive substantial inputs from the Government, and there will be close co-ordination between the Planning Secretariat and the UNDP Office with a view to taking every advantage of UNDP subregional, regional, interregional and global projects.

III. DEVELOPMENT OUTLOOK

A. Aspects of the economic and social situation

38. The development model which has been followed in Guatemala, which relies heavily on the world market for food-stuffs and agricultural raw materials, has caused distortions in the manner in which the country's productive potential was utilized, in the shape of its production structure and especially in the siting of

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economic activities. All these factors have resulted in low levels of productive employment, particularly high underemployment, in unequal distribution of income, inadequate levels of education, health and so on, and a low level of social well-being generally.

39. The pattern of national resources utilization has caused imbalances in the production structure, with a heavy predominance of tertiary activities, which account for 54 per cent of the gross domestic product, while primary activities account for 28 per cent. The secondary sector, on the other hand, accounts for barely 18 per cent.

40. In the primary sector, agricultural exports to markets outside the region, such as coffee, raw cotton, bananas, cardamom, chicle, and cotton seed occupy a dominant position. Products for domestic consumption, on the other hand, especially the staples of the Guatemalan diet, represent only 37 per cent of output, and this is insufficient to meet the country's needs. The remaining 16 per cent represents products used in industry.

41. In the secondary sector, industry is dominated by the production of consumer goods, in particular, sugar and meat of national origin, while other branches are characterized by their heavy reliance on imported raw materials. The sector is considerably skewed, in that consumer goods represent 49 per cent of total consumption, intermediate goods 39 per cent, and capital goods and consumer durables 12 per cent.

42. The most important activities in the tertiary sector are commerce, transport, real estate and personal services.

43. Guatemala's participation in world trade in food-stuffs and agricultural raw materials has significantly affected the geographical distribution of economic activities. Because such products as coffee, cotton and bananas require hot, humid climates, they are grown in the coastal regions, and it is there that the transport infrastructure and the government and financial services necessary to facilitate exports to overseas markets have likewise been developed.

44. The relatively extensive urban development which characterizes the central part of the country, primarily in the Department of Guatemala, has meant that approximately 70 per cent of all industrial activity is carried out in that department, which makes it very attractive to migrants. The capacity of the industrial sector to absorb these increasing flows of manpower has been exhausted.

45. The population of Guatemala has been growing by an annual rate of 2.9 per cent and at present stands at some 7 million, of which only 30 per cent is economically active. Despite satisfactory economic growth rates, it has not been possible to create enough productive jobs to absorb the growing labour supply. As a result, despite a low level of overt unemployment, the real labour problem in Guatemala today is high underemployment: it is estimated that one out of every three workers is underemployed.

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46. At the sectoral level, agriculture has the highest volume of employment (56 per cent of the total) but is also the sector in which underemployment is most prevalent owing to the seasonal nature of the main export crops and the existence of small-holdings. It should be noted that manufacturing employs only 4 per cent of the economically active population.

47. Moreover, satisfactory rates of economic growth have not prevented the deterioration of income distribution in Guatemala. In 1947-1948 those in the top 25 per cent income range received 60.5 per cent of all income, while the poorest 25 per cent of the population accounted for only 7.9 per cent. In 1970 the top 25 per cent income range received 66.5 per cent and the poorest 25 per cent 6.7 per cent.

48. The result of this situation is the social deprivation affecting the people of Guatemala, as reflected by the social indicators shown in the summary of the economic and social situation in Guatemala at the beginning of this document. The figures speak for themselves:

Employment: a high level of underemployment, affecting some 586,000 persons or almost 30 per cent of the economically active population;

Nutrition: approximately half a million people severely undernourished and 82 per cent of children under 5 years of age suffering from nutritional deficiencies;

Education: a primary school enrolment ratio of only 52 per cent of children of school age, the figure for the Indian population being only 30 per cent;

Health: high rates of infant mortality as a result of undernutrition and poor sanitation, only 18.4 per cent of the rural population having access to drinking water and 11.8 per cent to lavatories or latrines; less than 35 per cent of the economically active population is covered by social security;

Housing: more than one third of the population is affected by the shortage of proper housing; outside the Department of Guatemala, this figure is 48.3 per cent.

B. Outlook

49. An analysis of the historical pattern of Guatemala's economic growth reveals a great contrast between the variety and quality of the country's potential resources, both natural and human, and the low level of well-being of most of the people.

50. It is therefore clear that changes must be made in the country's style of development, recognizing the dynamic role of external demand but mitigating the domestic effects of the traditional "outward-looking" model. This calls for a new approach to development, in which growth will continue to depend on external demand but in which access to that demand will be made more widespread by suitably diversifying production and the ways in which its benefits will reach the majority of the people.

51. In this approach the nucleus and starting point of the development strategy is optimization of the country's agricultural potential, through a process of genuine rural change in which land is used more rationally - including areas not now under cultivation - with a view to bringing about an immense and diversified increase in production.

52. The process of rural change is therefore the key to solving one of the major problems of the Guatemalan economy, namely, the tremendous backwardness of the rural population, by replacing subsistence farming with more diverse production with the help of technology that is relatively simple and non-capital-intensive. This process will help gradually to resolve the problems of rural unemployment and underemployment.

53. An integral part of rural change is the planning of a pattern of industrial development based on the processing of agricultural raw materials and the manufacture of goods which will support the diversification of agriculture.

54. The new pattern of industry will also give a boost, through the generation of new economic activity, to the process of reshaping human settlements in rural areas, since it is to be based on labour-intensive technologies not requiring very high skill levels.

55. Thus, the development model based on rural change and a new pattern of industry, which imply decentralization of economic activity and new physical planning, together with the establishment of a network of new and larger agglomerations, will exert greater pressure than has been brought to bear in the past for the development of economic activity in general, with concomitant beneficial effects on employment and the level of income, which, in turn, will be reflected in greater demand for agricultural and industrial products to meet basic needs.

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IV. DEVELOPMENT OBJECTIVES

56. The main long-term development objective is to raise the level of material, cultural and intellectual well-being of the majority of the Guatemalan population in order to achieve stable and just social peace. It is imperative in all this to make it possible for the majority of the population to satisfy their basic needs for food, clothing and shelter, to have access to health services, education and culture, and to enjoy other components of the "quality of life", such as security, personal dignity and equality of opportunity.

57. The central goal of development rests on the achievement of the following operational objectives:

To increase the production of goods and services, in conjunction with reasonable monetary and financial stability;

To improve the distribution of income as warranted by growth in production;

To reduce the vulnerability of the Guatemalan economy to external factors;

To train the country's human resources as the principal basis of development;

To create productive employment;

To conserve and rationally exploit natural resources;

To organize Guatemala's development with a view to integration with the other economies that are participating in the Central American integration process;

To improve the capacity of the public sector to fulfil its role in promoting development.

58. In order to achieve these objectives, the Government's Development Plan lays down general policy guidelines for the following areas of activity:

1. Global policy for the public sector

59. The unfavourable prospects of the external sector for the coming years places on the public sector the very special burden of compensating for that sector's loss of dynamism. As in the previous Development Plans, therefore, provision has been made for improving the capacity of the public sector to fulfil its role of promoting development.

2. Administrative development policy for the public sector

60. The level of efficiency which the public sector must acquire in order to undertake the complex activities involved in executing the Plan calls for a series of measures by that sector aimed at providing public administration as a whole with an organic and functional structure.

61. The aim of these measures is gradually to find solutions to three categories of problems which have been created by the piecemeal growth of the public sector and its lack of capacity to perform the increasingly complex functions which the circumstances require of it. First, there are the difficulties in goal-setting and policy formulation, the lack of sufficient statutory regulation of Government apparatus, short-comings in higher- and middle-level management, and the underdevelopment of the planning and programming functions. Secondly, there are the organizational short-comings which result in breakdowns in communication and information, in the obsolescence or inadequacy of working methods and procedures, in organizational structures ill-suited to the institutional purposes they serve, and in the absence or breakdown of co-ordination machinery. Lastly, there is the shortage of financial, material, and above all, human resources, which largely account for the poor responsiveness of the administrative apparatus as a whole.

3. Employment policy

62. The creation of productive employment on a massive scale is to be one of the decisive long-term objectives of this policy. To this end, the activities contemplated in the individual sectoral plans for the period 1979-1982 are to be directed towards a gradual solution of the underemployment problem and to the creation of conditions in which the economy can generate higher levels of employment, in order productively to absorb the growing labour force.

4. Policies to improve the purchasing power of the population

63. Given its main objective of guaranteeing that the majority of the population will have access to the goods they require to satisfy their basic needs, in terms of quantity and quality, the Government is to take action to improve and step up the production of such goods, while protecting and even increasing the purchasing power of wage-earners, the self-employed, and small and medium-scale rural producers.

5. Export sector policy

64. One of the development objectives is to reduce the vulnerability of the export sector by the formulation and execution of a programme to promote the country's non-traditional exports, with a view to opening up new markets or winning a larger share of traditional markets.

6. Policy with respect to the process of Central American integration

65. The Guatemalan Government's policy with respect to integration will be one of outright support, at all stages of the process, the purpose being to take maximum advantage of its inherent potential.

66. In the matter of subregional and regional co-operation, the Government intends to apply the methodology used in the preparation and execution of the country programme, with a view to taking better advantage of available resources,

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strengthening existing integration agencies, and participating more fully at the technical stages of programme planning and implementation.

7. Social development policy

67. As a result of the present enormous short-comings in the country's social development, which are extremely grave in the rural areas, the strategy chosen assigns a significant role to the expansion of education, health, housing and other services. These measures can provide crucial backup for the initial stages of the rural change process. They require a huge effort of institutional organization on the part of the Government in order to implement a set of policies that will begin to bring about an over-all solution to these serious short-comings.

8. Policy for the conservation and rational utilization of natural resources

68. The present state of knowledge and utilization of Guatemala's renewable and non-renewable natural resources has two contradictory features. On the one hand, the total resource potential, and hence the practical prospects for harnessing those resources for developing the economy, are unknown, while, on the other hand, the resources that are being exploited are suffering what may prove to be irreversible spoliation and deterioration.

69. For the foregoing reasons, short-term actions must be undertaken as part of a policy aimed at assessing and quantifying the productive potential of the natural resources and at using them better and in accordance with the national interest. In the period 1980-1982 survey work is to be intensified with a view to inventorying and assessing renewable and non-renewable natural resources and obtaining detailed knowledge of the manner in which they are being used at present.

9. Energy policy

70. In keeping with the fundamental long-term objectives, energy policy for the period 1979-1982 is directed towards the achievement of energy self-sufficiency for residential, industrial and transport use, and for electricity generation.

10. Technological development policy

71. Inherent in the achievement of development goals and the implementation of the strategy chosen for that purpose is the planning of activities by which to identify and develop the optimum combination of factors of production, both actual and potential, that is compatible with the means now available to the country.

72. The object is not to achieve self-sufficiency in this respect, but to reduce the scientific and technological overdependence that has characterized Guatemala throughout its economic history.

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11. Policy for protecting and improving the environment

73. The environment and natural resources are a public good and a social concern, and consequently the Government and individuals must have a hand in their conservation and rational management. As a basis for the implementation of a conservation policy, an institutional network is to be set up in the medium term to plan, programme and co-ordinate the conservation activities of all public institutions, within the guidelines of the National Development Plan, in such a way that development goals will be made compatible with protection and improvement of the environment.

V. UNDP TECHNICAL CO-OPERATION

A. Objectives and over-all structure

74. The central objective of the current programme is to complement the Guatemalan Government's efforts to implement the priority activities of the 1979-1982 National Development Plan and the short-term plans it has recently launched. To this end, the structure adopted is in line with the strategy embodied in these plans, as shown in greater detail in the individual project descriptions.

75. On that basis, the over-all structure of the four-year programme is reflected in the table showing the breakdown of the programme by sector, in accordance with the new UNDP classification. The greatest emphasis is on the natural resources sector, with 25 per cent of combined IPF and cost-sharing funds, which is folo followed by economic and social policy and planning (24 per cent), agriculture (15 per cent), and industry (11 per cent).

76. The social sector is allocated 16.6 per cent of total funding, if the areas of health and education are counted.

77. The 1980-1983 Programme covers 12 ongoing projects, 6 of which will end early in 1981, and 11 new projects which absorb 50 per cent of the funds allocated for the 23 projects over the period.

B. Spheres of co-operation

1. Development planning and policies (02)

(1) Ongoing projects

78. The following projects have been extended for a limited period into 1980 to allow for ongoing activities to be duly completed or incorporated under a new, more dynamic and closely co-ordinated concept, into the integrated project GUA/80/001 "Assistance for planning, information and public administration in the economic field".

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(i) Harmonization of public sector budgets with the National Development Plan (GUA/74/010)

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	50.0	50.0	-	-	-
GOVERNMENT	218.0	218.0	-	-	-

(ii) Assistance to the planning system (GUA/75/009)

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	30.0	30.0	-	-	-
GOVERNMENT	82.0	82.0	-	-	-

(iii) Assistance to the national statistical system (GUA/77/007)

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	36.0	36.0	-	-	-
GOVERNMENT	50.0	50.0	-	-	-

(iv) Administrative development of the public sector (GUA/78/008)

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	42.0	42.0	-	-	-
GOVERNMENT	35.0	35.0	-	-	-

(v) Social planning (GUA/78/009)

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	9.0	9.0	-	-	-
GOVERNMENT	10.0	10.0	-	-	-

79. Other planning-related activities will continue to be financed during 1980 from funds still available from the Programme Reserve. The following projects will be financed for up to 12 months longer from the roughly $540,000 which remains: GUA/76/011 "Regional and urban development", GUA/76/007 "Training of human resources and development of small-scale enterprises within the context of reconstruction", GUA/76/013 "Human resource planning and employment" and GUA/76/106 "Housing reconstruction, disaster area".

(2) New projects

Assistance for planning, information and public administration (GUA/80/001)

80. The need for a more orderly technical co-operation process, governed by a definite and unifying approach to planning in a mixed economy has led to the development of an integrated project embodying a set of methods, techniques and procedures which will provide adequate underpinning for decision-making, influence the country's economic and social system, and forecast trends in the world economy.

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81. This necessitated the establishment by the Secretariat of the National Economic Planning Council of a co-ordination system embracing all the institutions involved in national development. The continuing and specific aim of this project is to expand the capacity of public administration in analysis, decision-making and execution, to evaluate the execution of development plans, and to propose more satisfactory economic and social policy measures. Under the project, which co-ordinates and promotes the work of public institutions and private economic forces for the purpose of giving effect to development plans, the following areas of activity are envisaged:

82. (i) Statistical and information system

The purpose of this system is to satisfy requirements for the reliable, up-to-date information needed to forecast the future behaviour of the economy, so as better to prepare economic policy measures. The immediate objectives are to consolidate the system of national accounts, to select and harmonize indicators of economic trends, to continue the family income and expenditure survey, to provide assistance for the collection of agricultural and industrial statistics, and to carry out opinion surveys.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	340.0	90.0	80.0	80.0	90.0
GOVERNMENT	1,280.0	320.0	320.0	320.0	320.0

83. (ii) Analysis and synthesis of projections

Over-all and continuous monitoring of economic, monetary and financial movements by means of consistent, detailed, accurate and prompt economic projections in order to ensure that economic policy responds to the situations anticipated.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	270.0	70.0	60.0	70.0	70.0
GOVERNMENT	160.0	40.0	40.0	40.0	40.0

84. (iii) Long-term perspectives and strategy studies

Economic and social perspective studies designed to determine long-term national development goals and alternative policies associated with them.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	40.0	10.0	10.0	10.0	10.0
GOVERNMENT	48.0	12.0	12.0	12.0	12.0

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85. (iv) Government budget

Computerization of government transactions and measurement of the impact of the government budget on the economy and vice versa, by studying budgetary operations within the system of global economic projections, which gives a picture of the major economic balances.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	135.0	90.0	15.0	15.0	15.0
GOVERNMENT	1,032.0	258.0	258.0	258.0	258.0

86. (v) Public administration

Organization of state administration which will: be governed by a balanced, unified approach conducive to accomplishing the analysis and synthesis work which is indispensable to planning and to introducing working methods, techniques and procedures with unified criteria; organize the flow of information for timely and effective decision-making; promote the administrative changes necessary to increase the management capacity of the public sector; and, lastly, carry out the activities contemplated in the development plans.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	450.0	130.0	90.0	100.0	130.0
GOVERNMENT	496.0	100.0	132.0	132.0	132.0

87. (vi) Regional and urban planning

Regional and urban plans covering the provision of infrastructure and social amenities in priority areas, effectively co-ordinated with national plans and fully consistent with government budgeting; in short, greater consistency in financial decisions and identification and selection of projects for the regions that fit in better with the projections and priorities for the economy as a whole. During 1980 the relevant activities are continuing with funding from the Programme Reserve under project GUA/76/106.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	220.0	-	60.0	60.0	100.0
GOVERNMENT	435.0	-	145.0	145.0	145.0

88. (vii) Policy for agglomerations

Coverage of national objectives and policies for the development of agglomerations which respond to the economic and social conditions of the population, and preparation of physical planning standards for each category of agglomeration. The preparatory work for this component will be carried out with funds from the Programme Reserve under project GUA/76/106.

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RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	245.0	-	65.0	70.0	110.0
GOVERNMENT	450.0	-	150.0	150.0	150.0

89. (viii) Policy for social sectors

Suitable provision for variables related to social problems, especially those connected with education, health and housing.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	466.0	110.0	90.0	100.0	156.0
GOVERNMENT	400.0	100.0	100.0	100.0	100.0

90. Assistance for policies on generating and handling technical co-operation (GUA/80/002)

For more than 30 years Guatemala has been receiving technical and financial co-operation from various international agencies and friendly countries, which has undoubtedly made a substantial contribution to solving some of the problems the country faces in its pursuit of economic and social development. However, it is felt that even when the co-operation received has been significant, there has been a failure to maximize the resources provided so as to enable the optimum desired results to be obtained.

91. A number of factors has contributed to this situation. They include the way in which the function of international co-operation was perceived as a supplement to the country's development efforts, the lack of any policy based on the country's real needs for using external resources, the lack of institutional machinery to generate, negotiate and execute technical co-operation projects and projects financed by external resources, the lack of interagency co-ordination, the low level of executing and administrative capacity among state agencies, and the lack of expertise among the government staff responsible for administering and monitoring international co-operation.

92. Paramount functions in the generation, programming, negotiation and monitoring of both technical and financial co-operation are assigned by law to the Secretariat of the National Economic Planning Council. Accordingly, to improve its capacity to administer external co-operation would do much to solve existing problems, with the consequent multiplier effect on the whole of the Guatemalan public sector.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	110.0	60.0	50.0	-	-
GOVERNMENT	169.0	100.0	69.0	-	-

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2. Natural resources (03)

(1) Ongoing projects

Ground water (GUA/72/011)

93. This is the final phase of a project on prospecting for drinking water, and covers advisory services to the Executing Unit of the Xavá-Pixcayá National Aqueduct on well-drilling work in the tunnel in the Chimaltenango Department.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	10.0	10.0	-	-	-
GOVERNMENT	50.0	50.0	-	-	-

Petroleum and energy development (GUA/74/014)

94. The future sustained growth of the Guatemalan economy, based on the process of rural change and the new pattern of industrialization, will give rise to a new pattern of human settlements which will involve an expansion in energy demand, especially in inland regions. This will call for tremendous efforts to accelerate the development of Guatemala's energy resource potential. Taking this into account, the objective of the project is to utilize and administer the country's energy resources rationally and to plan its energy sector; to have new petroleum and energy legislation enacted; to provide advice on the monitoring and supervision of petroleum operations, and to develop an energy information system. At the same time, a petroleum training programme will be conducted for national personnel.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	2,551.0	751.0	600.0	600.0	600.0
GOVERNMENT	864.0	216.0	216.0	216.0	216.0

3. Agriculture, livestock production, forestry and fisheries (04)

(1) Ongoing projects

Ocean and small-scale fisheries (GUA/78/002)

95. One of the goals of the development strategy is to achieve better utilization of renewable natural resources. In the area of nutrition, there are plans to carry out programmes to promote adequate food production and availability. The Government is likewise promoting a policy to develop co-operatives. To this end, the Plan includes projects covering small-scale fishing, "fish for everyone", the design of administrative and accounting systems for the integrated small-scale Pacific fishing project (PICPA), the inventorying of fishery resources in Pacific waters, and ocean fishing.

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96. The consolidation of the present project, over a further four years, will contribute to the achievement of these goals through the rational utilization of fishery resources, and thereby make fish avaailable cheaply to the majority of the population and so increase protein consumption. The expansion of fishing will also provide new employment and will raise the socio-economic level in fishing communities. Accordingly the immediate objectives are to continue the fishing, administrative and marketing operations of the co-operatives which make up PICPA.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	596.0	186.0	120.0	130.0	160.0
GOVERNMENT	900.0	200.0	200.0	250.0	250.0

97. Strengthening of the Forest Seed Bank (GUA/78/005)

The policy for developing renewable natural resources calls for an effective framework for surveying, programming, administering and monitoring those resources, and, particularly, for training specialized staff. The Government is especially concerned about the reforestation of the country and has launched a national campaign to support it. Bearing this in mind, the project objectives are to ensure planned forestry development and the production of seeds required for the National Reforestation Plan and to strengthen the organization, operational work and staff training of the Forest Seed Bank (BANSEFOR). The project is expected to expand during the period of the 1980-1983 Programme.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	515.0	115.0	115.0	135.0	150.0
GOVERNMENT	600.0	150.0	150.0	150.0	150.0

(2) New projects

98. Strengthening of the agricultural sector

It is important to note that the chosen strategy assigns a fundamental role to the agricultural and livestock sector in the new development pattern that will prevail in the Guatemalan economy in future. The aim is to import new dynamism to the sector which will ensure a growing and varied supply of goods for domestic consumption and export, thereby making it possible substantially to raise the income levels of farm workers and small- and medium-scale farmers.

99. The National Agricultural Planning System will therefore have to be strengthened, as the agency which organizes and promotes activities and lays down policies and guidelines for the sector. The technical co-operation envisaged is to begin in 1980 with FAO funding.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	400.0	-	80.0	200.0	120.0
GOVERNMENT	200.0	-	100.0	100.0	-

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4. Industry (05)

(1) New projects

100. Industrial development and promotion, phase III (GUA/79/002)

The aim of the National Industrial Development Plan is to direct the industrial productive apparatus towards activities designed to satisfy the basic needs of the majority of the population and selectively to consolidate the existing productive structure. Other objectives are to strengthen the public sector as the activator of industrial development, to reduce economic and technological dependence, to improve the distribution of income generated by the sector. To this end, the National Industrial Development Plan is based on four programmes which are to take effect immediately: development of investment projects, promotion of small-scale industry, development of handicraft industries and development of projects for the external marketing of manufactured goods.

101. As part of this scheme, phase III of the industrial development and promotion project has two simultaneous purposes: first, to strengthen and expand the central and peripheral planning systems of the industrial public sector and, secondly, to assist in the implementation of the investment projects envisaged in the Plan, with the accent on the processing of national agricultural products, promotion of medium- and large-scale manufacturing industries with internal and external marketing potential, and training programmes for the sector's labour force.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	1,010.0	250.0	200.0	200.0	360.0
GOVERNMENT	836.0	209.0	209.0	209.0	209.0

102. Human resource training for industry (INTECAP)

In the period covered by the National Development Plan, the Government intends to promote technical training for workers in the industrial sector and in industries which utilize labour-intensive technologies. To this end, training activities will be undertaken at six regional vocational training centres with a daily operating capacity of 1,300 participants, in three shifts, to complement the INTECAP/IDB agreement. This programme would foster strong support for the industrial decentralization programme, given that four of the six centres are situated in inland regions. In 1980 preparatory activities for the project would be financed from the Programme Reserve under project GUA/76/007.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	110.0	-	50.0	60.0	-
GOVERNMENT	190.0	-	90.0	100.0	-

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5. Transport and communications (06)

(1) Ongoing projects

103. Radar control and civil aviation (GUA/78/004)

As tourism is a prime generator of foreign currency, the flow of foreign tourists must be increased and encouraged; most of them arrive by air. In order to ensure the safety of air travel, assistance is required in developing a programme which would enable the radar installed at the La Aurora International Air Terminal to be utilized satisfactorily, by training the staff who will operate the radar. The project may be expanded later on to cover an air traffic safety programme.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	310.0	120.0	90.0	100.0	-
GOVERNMENT	300.0	100.0	100.0	100.0	-

104. Short-, medium- and long-term training - GUATEL (GUA/79/001)

It is important that the existing national and international telecommunications system be properly operated and maintained. At the same time, the necessary expansion of the system is in progress. The Government is well aware that satisfactory communications contribute greatly to the development process. Accordingly, this project is designed to provide a team of national personnel, instructors and administrators to plan and teach the necessary training courses for the technicians and engineers responsible for operating the equipment now in use or being installed. Furthermore, in view of the fact that for a long time the development of telecommunications services was marking time so that all the efforts to improve GUATEL services have fallen behind, the equipping of laboratories for practical training in transmission, switching, outdoor installations and use of instruments is going ahead.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	123.0	123.0	-	-	-
GOVERNMENT	235.0	235.0	-	-	-

105. Master communications plan (GUA/80/006)

The National Communications Plan establishes the need for a master plan as a necessary step towards rationalizing communications programmes and projects. Accordingly, UNDP is being asked to assist in drawing up the plan. The aim of the project is to provide the information required for long- and short-term planning and for the operation and maintenance of communications systems. It will be implemented in phases, in an orderly and prudent manner so that every step to be taken may be programmed well in advance.

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RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	110.0	30.0	40.0	40.0	-
GOVERNMENT	450.0	150.0	150.0	150.0	-

6. International Trade (07)

(1) New projects

106. Export promotion (GUA/79/003)

One of the goals of development is to reduce the vulnerability of the external sector. It is believed that one way of achieving this is to formulate and implement a programme to promote Guatemala's non-traditional exports. Accordingly, under this project assistance will be given for systematic technical research on prospects for the external marketing of specific manufactured goods which are being or could be manufactured in the country and for drawing up priority external marketing projects. Furthermore, GUATEXPRO will be advised on how to improve its export development and promotion services.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	314.0	126.0	130.0	58.0	-
GOVERNMENT	100.0	44.0	44.0	12.0	-

7. Health (10)

(1) New projects

107. Health programme (GUA/80/003)

In view of the serious deficiencies in the field of social development, particularly in rural areas, the development plan assigns particular importance to expanding the health, social welfare, education and other services. The Government is now supporting a Social Action Plan (PASO) which, if it is to be properly implemented, calls for the following activities: improvement of the capacity to identify, formulate, implement and evaluate projects in the health subsector and training of professional and technical personnel in that subsector.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	450.0	100.0	90.0	110.0	150.0
GOVERNMENT	850.0	200.0	200.0	200.0	250.0

108. Social well-being programme (GUA/80/004)

Social well-being is another important subsector of the Social Action Plan requiring technical co-operation from UNDP in order to improve national capacity to identify, formulate and implement plans, programmes and projects in the subsector and to train professional and technical personnel.

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RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	280.0	50.0	50.0	80.0	100.0
GOVERNMENT	210.0	50.0	50.0	50.0	60.0

109. COPECAS (GUA/80/005)

As a result of the impetus generated by the Standing Committee for Drinking Water and Sanitation (COPECAS), which was established in connexion with the United Nations Decade in this field, the Government is particularly anxious to encourage any projects put forward by this Committee. It is hoped that the United Nations will allocate funds for this since the Committee's aims are consistent with those of the International Drinking Water Supply and Sanitation Decade.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	200.0	100.0	100.0	-	-
GOVERNMENT	400.0	200.0	200.0	-	-

8. Education (11)

(1) Ongoing projects

110. Support for the National Development Plan, education sector (GUA/78/013)

Because of Guatemala's serious educational deficiencies, particularly in rural areas, the Development Plan assigns considerable importance to expanding services in this sector. This expansion will provide decisive support to the first phase of the process of rural change. Accordingly, the aim is to bring the educational process within the reach of the majority of the population and to tailor it to their needs and aspirations.

111. The project will cover the following areas: extension of educational coverage, provision of the right type of services, with emphasis on educating the rural population (particularly at the primary and out-of-school levels), support for social organization, strengthening of institutions, improvement of the quality of education, apprenticeship, and co-ordination with higher education.

112. The immediate objectives are to help with planning of the education sector, to generate projects, to assist educational administration, to evaluate curriculum content and to collaborate in the development of out-of-school education programmes.

RESOURCES:	TOTAL	1980	1981	1982	1983
UNDP	765.0	175.0	165.0	175.0	250.0
GOVERNMENT	580.0	145.0	145.0	145.0	145.0

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VI. RELATIONSHIP OF THE PROGRAMME TO OTHER UNITED NATIONS TECHNICAL CO-OPERATION PROGRAMMES

113. Given the limitations of the indicative planning figure and the desire to concentrate on a few areas, the UNDP technical co-operation programme in Guatemala cannot be completely balanced or cater to all the Government's priorities. In preparing the 1980-1983 programme, however, account was taken of other sources of technical assistance and these do complete the picture of an external co-operation based on identified requirements.

114. The Government sees to it that all this assistance is carefully co-ordinated by using the same programming and monitoring methodology as is used for country programming and this effort is complemented by institutionalized interagency meetings under the chairmanship of the Secretary-General of the National Council for Economic Planning with firm backing from UNDP.

115. As for assistance from the United Nations system, it is expected that the agricultural sector will continue to receive direct aid from FAO in such critical areas as the campaigns against the coffee bean borer and hog plague and reducing post-harvest losses. The emphasis will be on training, and provision has been made for assistance to the agricultural planning system. In addition, with funds from the United Nations Fund for Population Activities, FAO will participate in a project to train home improvement organizers. Finally, consideration is being given to a technical co-operation project in the forestry sector to be financed by contributions from the Government of Finland channelled through UNDP and executed by FAO.

116. At the subregional level Guatemala will take advantage of UNDP projects in the fields of plant and animal health and forestry education. The relevance of this latter project has increased, as the National Autonomous University of Honduras has recently decided to recognize diplomas in forestry management and administration awarded by the Siguatepeque Forestry School equivalent to a university degree.

117. In the industrial sector there are plans to develop capital goods with inputs from UNIDO. Assistance will be needed in future for encouraging small and medium-sized enterprises, production for export and the processing of agricultural products. The Government is therefore following with interest the ECLA/UNIDO work on preparation of an interpretative analysis of industrialization in Central America, with help from CABEI and SIECA. UNIDO will also assist the industrial sector by submitting to the United Nations Fund for Industrial Development projects relating to capital goods and small-scale food enterprises in rural regions.

118. The activities of the energy sector are complemented by the Central American energy programme, the main Guatemalan component of which is the implementation of a subprogramme to produce alcohol fuel. The subprogramme is being executed with the Central American Technological Research Institute for Industry (ICAITI) as contractor, thereby ensuring that it will benefit the entire subregion. Because of the way the project is planned, Guatemala will also benefit from the

results obtained in other countries, for example, as regards "mini" power stations and geothermal and other non-conventional energy sources.

119. In the mining sector, a project under the United Nations Revolving Fund for Natural Resources Exploration, which would start in 1980, is under consideration.

120. The Government's education programmes are assisted under the regular programme of UNESCO; the assistance will cover, inter alia, the training of school principals, out-of-school education and advisory services of various kinds to the Ministry of Education. The regional projects include the project concerning the network of educational systems for development in Central America and Panama; starting in 1980 this project will move from the research phase to specific action, with emphasis on project programming and preparation.

121. The post-graduate programme in development economics and planning, if it can be instituted with co-operation from UNDP/UNESCO and other sources, would also be of interest to the Government of Guatemala as the project on assessing the status of Central American cultural heritage certainly is, because of its bearing on Guatemala's cultural identity. The latter subregional UNESCO/UNDP project will also receive support from the UNESCO campaign to rescue Guatemala's cultural heritage, which was damaged during the earthquake; the purpose of this campaign is to try to raise some $3.2 million in international funds for the most important schemes.

122. UNICEF will continue its co-operation in the implementation of the non-formal education components of the four-year plan, the emphasis being on improving the status of women. Its assistance to the project for supplying drinking water to small communities is also significant. UNICEF will also participate in four programmes under the Social Action Plan which deals with basic rural sanitation, regional development in Baja Verapaz (primary health care, school education, home economics and nutrition), deprived urban areas and advancement of women in urban areas. The UNICEF programme provides for inputs of some $1.7 million for the period 1980-1982.

123. The health sector has always received assistance from PASB/WHO. It is expected that this agency will continue its close co-operation with the ministry of Public Health on programming matters, disease control, family health, health services and, above all, the development of human resources needed to deal with the rather alarming health situation prevailing in many areas of the country.

124. Generally speaking, social planning financed under the IPF (GUA/80/001), is complemented at the subregional level by a social development programme which advises BCIE on the preparation and execution of projects having a social impact in the fields of health, education, housing, nutrition and integrated rural development.

125. As for trade and transport, the Government will continue to take an interest in the training programme offered by UNCTAD and the International Trade Centre and will participate actively in the Central American shipping development project,

which is in preparation as a follow-up to the TRANSMAR project. Follow-up action to the recently included ECAT study of the Central American transport sector is also considered necessary. Owing to the importance of air transport for Guatemala's tourism programmes, maximum use will be made of the advisory and training services to be offered in future by ICAO to supplement the IPF financed project.

126. Telecommunications will continue to be helped by the subregional institutions INCATEL and COMTELCA, which for many years received UNDP assistance. The project for the development of postal services in the region, implemented with the co-operation of SIECA, UPU and UNDP, continues to make a significant contribution to improving this basic service.

127. In the Government's programme relating to the administrative development of the public sector there are close links with ICAP, which since its inception has enjoyed co-operation with UNDP.

128. Of great importance to the public sector in connexion with customs tariffs and duties is the project for assistance to member countries of the Central American Common Market for the formulation and introduction of a new common external tariff; the Governments of countries in the area are co-operating in this project with SIECA, ICAP, UNCTAD and UNDP.

129. A programme to strengthen planning in Guatemala is being prepared in conjunction with the United Nations Fund for Population Activities. It will cover such matters as the inclusion of population and employment policies in National Development Plans with a view, in particular to improving the technical capacity of the human resources needed by the country and incorporating the population and employment variables into general economic and social planning. The Fund is also assisting with the 1981 population and housing census and the demographic data collection and analysis system, the aim being to set up a permanent demographic data and analysis system as the basis for the formulation of employment policies and population and development policies. Finally, an analysis of the human resources in the Baja Verapaz department is being carried out with a view to introducing a human settlements and migration policy that will strengthen the regional planning process.

130. With a view to better co-ordinating the efforts of the planning agencies in the region and thereby achieving more effective programming of country and subregional programmes, the Government will participate actively in two UNDP-financed projects, namely, assistance for reactivating the Central American integration process, and strengthening of the technical co-operation and promotion systems among Central American countries and Panama. The common goal is to establish a system of programming and implementation of all technical co-operation for Central America and Panama, which would enable Guatemala to utilize that co-operation more effectively.

131. As the above list cannot be comprehensive for the 1980-1983 programming period, it must be stressed that the methodology used by the Government in programming and implementing technical co-operation programmes, described in

the chapter on that subject, will ensure that due account is taken in the preparation of each project document of any interrelationship there may be with other projects funded under the country or regional IPF or with projects financed by other bilateral and multilateral sources. This will ensure that the best possible use will be made of international technical co-operation both quantitatively and qualitatively, within the conceptual framework established by the Government in its Development Plan.

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Summary by sector of UNDP-financed projects 1976-1979

TABLE I

(Indicative planning figure (IPF) and Programme Reserve (PR))
(in million quetzals)

SECTOR	Original programme		Implemented 1976-1979		1976		1977		1978		1979	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL	8 288.0	100.0	9 882.8	100.0	2 616.6	100.0	2 029.8	100.0	2 449.4	100.0	2 787.0	100.0
Planning, public administration and statistics	854.0	10.3	2 812.3	28.4	441.6	16.9	443.2	21.8	958.0	39.1	969.5	34.8
Agriculture	2 940.9	35.5	2 034.4	20.6	1 126.7	43.0	491.2	24.2	83.5	3.4	333.0	11.9
Industry and energy	2 282.8	27.5	1 422.4	14.4	300.3	11.5	258.7	12.8	270.7	11.1	592.7	21.3
Industry	1 480.8	17.9	682.0	6.9	133.8	5.1	196.0	9.7	119.9	4.9	232.3	8.4
Energy	802.0	9.6	740.4	7.5	166.5	6.4	62.7	3.1	150.8	6.2	360.4	12.9
Trade	132.4	1.6	31.8	0.3	31.8	1.2	-	-	-	-	-	-
Transport and telecommunications	210.0	2.5	235.1	2.4	85.4	3.3	55.1	2.7	9.6	0.4	85.0	3.0
Social development	1 762.9	21.3	3 197.9	32.4	401.9	18.4	781.6	38.5	1 127.6	46.0	806.8	29.0
Education	956.6	18.5	1 518.9	15.4	319.7	12.2	290.6	14.3	392.1	16.0	516.5	18.5
Employment and human resources	396.1	4.8	248.8	2.5	84.5	0.9	53.5	2.6	85.5	3.5	85.3	3.1
Housing	-	-	815.0	8.3	13.8	0.5	192.2	9.5	420.0	17.1	189.0	6.8
Health	410.2	5.0	615.2	6.2	123.9	4.8	245.3	12.1	230.0	9.4	16.0	0.6
Science and technology	105.0	1.3	148.9	1.5	148.9	5.7	-	-	-	-	-	-

* Basic document prepared in 1975.

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GUATEMALA

TABLE II

UNDP COUNTRY PROGRAMME OF TECHNICAL CO-OPERATION, BY SECTOR AND PROJECT

(in $US thousands)

1980-1983

IPF 1976-1981: $8 million
IPF 1982-1986: $8 million

	SECTOR AND PROJECT	Project No.	%	TOTAL	1980	1981	1982	1983
02	**Development planning and policies**		24.0	2 443	727	520	515	681
	(a) **Ongoing projects**			167	167	-	-	-
	1. Harmonisation of the Plan with public sector budgets	GUA/74/010		50	50	-	-	-
	2. Assistance to the planning system	GUA/75/009		30	30	-	-	-
	3. Assistance to the national statistical system	GUA/77/007		36	36	-	-	-
	4. Administrative development of the public sector	GUA/78/008		42	42	-	-	-
	5. Social planning	GUA/78/009		9	9	-	-	-
	(b) **New projects**							
	1. Assistance for planning, information and public administration	GUA/80/001		2 276	560	520	515	681
	1.1 Statistical and information system			340	90	80	80	90
	1.2 Analysis and synthesis of projections			270	70	60	70	70
	1.3 Long-term perspectives and strategic studies			40	10	10	10	10
	1.4 Government budget			135	90	15	15	15
	1.5 Public administration			450	130	90	100	130
	1.6 Regional and urban planning			220	-	60	60	100
	1.7 Policy for agglomerations			245	-	65	70	110
	1.8 Policies for social sectors			466	110	90	110	156
	2. Assistance for policies on generating and handling technical co-operation	GUA/80/002		110	60	50	-	-

TABLE II (continued)

	SECTOR AND PROJECT	Project No.	%	TOTAL	1980	1981	1982	1983
03	Natural resources		25.0	2 561	761	600	600	600
	(a) Ongoing projects			2 561	761	600	600	600
	1. Ground water	GUA/72/011		10	10	-	-	-
	2. Development of the energy sector	GUA/74/014		2 551	751	600	600	600
04	Agriculture, livestock production, forestry and fisheries			1 511	301	315	465	430
	(a) Ongoing projects			1 111	301	235	265	310
	1. Ocean and small-scale fisheries	GUA/78/002		596	186	120	130	160
	2. Strengthening of BANSEFOR	GUA/78/005		515	115	115	135	150
	(b) New projects			400	-	80	200	120
	1. Strengthening of the agricultural sector			400		80	200	120
05	Industry		11.0	1 120	250	250	260	260
	(a) New projects							
	1. Industrial development and promotion, phase III	GUA/79/002		1 010	250	200	200	360
	2. Human resources training for industry			110	-	50	60	-
06	Transport and communications		5.3	543	273	130	140	-
	(a) Ongoing projects			433	243	90	100	-
	1. Radar control and civil aviation	GUA/78/004		310	120	90	100	-
	2. Short-, medium- and long-term training, GUATEL	GUA/79/001		123	123	-	-	-
	(b) New projects			110	30	40	40	-
	1. Master communications plan	GUA/78/006		110	30	40	40	-
07	International trade		3.1	314	126	130	58	-
	(a) New projects			314	126	130	58	-
	1. Export promotion	GUA/79/003		314	126	130	58	-

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TABLE II (continued)

	SECTOR AND PROJECT	Project No.	%	TOTAL	1980	1981	1982	1983
10	Health		9.1	930	250	240	190	250
	(a) New projects			930	250	240	190	250
	1. Health programme	GUA/80/003		450	100	90	110	150
	2. Social well-being programme	GUA/80/004		280	50	50	80	100
	3. COPECAS	GUA/80/005		200	100	100	-	-
11	Education		7.5	765	175	165	175	250
	(a) Ongoing projects			765	175	165	175	250
	1. Support for the national education plan	GUA/78/013		765	175	165	175	250
	TOTAL		100.0	10 187	2 863	2 350	2 403	2 571

UNITED NATIONS DEVELOPMENT PROGRAMME

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COUNTRY AND INTERCOUNTRY PROGRAMMING

PROGRAMME OF THE GOVERNMENT OF GUATEMALA

Note by the Administrator

Programme period	IPF for period 1980-1983
1980-1983	$8 million

I. Nature of the programming exercise

1. The 1980-1983 country programme of technical co-operation constitutes the explicit and official statement of the assistance the Government of Guatemala is requesting from the United Nations Development Programme. It was prepared by the General Secretariat of the National Council for Economic Planning, which is also responsible by law for planning, programming, negotiating and monitoring international technical co-operation, in consultation with the government agencies concerned and with assistance and continual advice from the Office of the UNDP Resident Representative, who kept the United Nations agencies abreast of all developments.

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2. This programming exercise began with a joint evaluation of the 1976-1979 programme. The Government participated by organizing meetings to review, discuss and to take decisions on the programme with a view to acquiring a detailed knowledge of technical co-operation requirements. The aim was to reach a basic consensus on the design and characteristics of the programme and methods of executing it.

3. This process made it possible to draw up a programme which is not merely a list of projects, but a clear description of the technical co-operation needs that can be met by UNDP, taking into account linkages between the programme and subregional and regional programmes, as well as multilateral and bilateral programmes.

II. Relationship of the country programme to national development objectives

4. The components of the programme are closely related to national development trends, and specifically to the objectives and guidelines of the 1979-1982 National Development Plan and the Government's short-term plans and programmes.

5. The main objective of long-term development is to raise the material, cultural and intellectual well-being of the majority of the Guatemalan population, with a view to achieving stable and just social peace.

6. Moreover, this central development objective depends on the achievement of the following operational objectives:

To increase the production of goods and services, in conjunction with reasonable monetary and financial stability;

To improve the distribution of income as warranted by increased production;

To reduce the vulnerability of the economy to external factors;

To train the human resources of the country;

To create productive employment;

To conserve and utilize natural resources rationally;

To organize Guatemala's development with a view to economic integration with the other countries participating in the Central American integration process;

To improve the public sector's capacity to play its role in promoting development.

7. For these reasons the purpose of the present country programme is to supplement the Guatemalan Government's efforts to implement the priority activities

of the 1979-1982 National Development Plan; to this end, the activities described in the following section have been envisaged.

III. Content and phasing of the programme

8. Activities were selected in the following sectors:

(1) Development planning and policies

9. The need to establish greater consistency in technical co-operation through a well-defined and unified approach led to the preparation of an integrated project of assistance for planning, information and public administration. In this umbrella project activities carried out under individual projects in various fields of planning under the preceding programme are consolidated and expanded. A project for support to policies on the initiation and handling of technical co-operation has also been included.

10. This sector is accordingly receiving 24 per cent of the IPF resources. However, when projects in other sectors (for example, agriculture, industry, communications, health and education) covering the planning and preparation of projects and support for their implementation are taken into account, the percentage rises to 55 per cent.

(2) Natural resources

11. The principal activities include strengthening the administration and planning of the energy sector, expanding legislation governing petroleum and energy, advising on the control and supervision of petroleum activities and on the development of an information system on energy. A programme of training on petroleum matters is also being conducted.

(3) Agriculture, livestock production, forestry and fishing

12. Activities focus, in particular, on marine and small-scale fishing and on strengthening the forest species seed bank with a view to better utilization of renewable natural resources. Consideration was also given to strengthening the national agricultural planning system.

(4) Industry

13. Efforts in this sector are aimed at selective and rational strengthening of the existing productive structure, and the planning system is therefore to be strengthened. Assistance will be given for investment projects, and the programme for the training and development of the labour force is to be continued.

(5) Transport and communications

14. The primary goal in this sector is to ensure the safety of air travel with a view to supporting the development of tourism. In addition, efforts are being made

to ensure satisfactory operation and maintenance of the telecommunication system. Lastly, advice is to be provided on the Communications Master Plan.

(6) International trade

15. The main objective is to promote non-traditional national exports.

(7) Health

16. The expansion of health and social welfare services has been given a predominant role with a view to improving the capacity to identify, formulate and execute plans, programmes and projects in these fields.

17. Funds have also been allocated for activities related to environmental sanitation and drinking water.

(8) Education

18. The aim in this sector is to continue and consolidate activities designed to implement those educational components of the National Development Plan concerned with planning, project formulation, educational administration, curricula and non-formal education.

Table 1

Sectoral breakdown of programmed resources

Sector	Ongoing projects		New projects		Total	
	in $1 000	%	in $1 000	%	in $1 000	%
02 Development planning and policies	167	3.3	2,276	44.0	2,443	24.0
03 Natural resources	2,561	50.8	-	-	2,561	25.0
04 Agriculture, livestock production, forestry, fishing	1,111	22.1	400	7.5	1,511	15.0
05 Industry	-	-	1,120	22.2	1,120	11.0
06 Transport and communications	433	8.6	110	2.1	543	5.3
07 International trade	-	-	314	6.1	314	3.1
10 Health	-	-	930	18.1	930	9.1
11 Education	765	15.2	-	-	765	7.5
TOTAL	5,037	100.0	5,150	100.0	10,187	100.0

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Table 2

Phasing of the country programme

A. Amount programmed

Year	in $1 000
1980	2 863
1981	2 350
1982	2 403
1983	2 571
TOTAL	10 187

B. Resources taken into account for programming

1. Resources available	
(a) IPF resources available for programming 1/	6 700
(b) Other resources (cost sharing)	2 482
2. Allocation for adequate programming	1 005
TOTAL	10 187

1/ Includes the following:

			in $1 000
1.	IPF (1977-1981)		8 000 000
2.	Remainder IPF (1972-1976)		485 000
3.	Sub-total, resources		8 485 000
4.	Expenditures 1977	1 327 000	
5.	Expenditures 1978	1 190 000	
6.	Expenditures 1979 (est)	2 468 000	
7.	Sub-total, expenditures		(4 985 000)
8.	Resources available 1980-1981 (3-7)		3 500 000
9.	Resources 1982 (1/5 IPF)	1 600 000	
10.	Resources 1983 (1/5 IPF)	1 600 000	
11.	Sub-total, resources		3 200 000
	Resources available for programming (8 + 11)		6 700 000

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IV. Recommendation of the Administrator

19. For the reasons explained, the Administrator recommends that the Governing Council:

(a) Approve the proposed UNDP country programme for Guatemala for the duration of the programme period within the limits of its approved indicative planning figure for 1977-1981, taking into account the negative or positive balance of its 1972-1976 IPF; and

(b) Authorize the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outlines of the country programme while ensuring, in accordance with the decision contained in document E/5543/Rev.1, paragraph 31, that expenditures are kept in reasonable conformity with the relevant indicative planning figures and that they in no event exceed the financial resources available at any given time.